

☐ Individual appearing without attorney
☒ Attorney for: Debtor/Debtor in possession

Debtor(s).

Location: Ctrm 302; 3420 Twelfth Street, Riverside, CA 92501

F 6004-2.NOTICE.SALE

Overbid procedure (if any): See attached notice for details.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

March 24, 2016
1:30pm
Ctrm 302
3420 Twelfth Street,
Riverside, CA 92501
Honorable Scott Yu

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Christopher J. Langley
Law Offices of Langley & Chang
1458 14th St.
Riverside, CA 92501
T: 714-515-5656/ 951-383-3388
F: 877-483-4434
chris@langleylegal.com

Date: 02/17/2016

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

261 N. Sycamore St. Santa Ana, CA 92701

A true and correct copy of the foregoing document entitled: **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On *(date)* 03/01/2016, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Everett L Green everett.l.green@usdoj.gov

Christopher J Langley chris@langleylegal.com, ecflf@gmail.com; I-Zea@rsbankruptcy.com

Anthony J Napolitano anapolitano@buchalter.com, IFS_filing@buchalter.com

United States Trustee (RS) ustpregion16.rs.ecf@usdoj.gov

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On *(date)* 03/01/2016, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Darnell Bailey and Cinthea Bailey

765 Albizia Ct.

Perris, CA 92571

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on *(date)* _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

03/01/2016

Omar Negrete

Date

Printed Name

s/Omar Negrete

Signature

0973-6

Case 6:15-bk-10006-SY

Central District of California

Riverside

Tue Mar 1 20:03:08 PST 2016

Riverside Division

3420 Twelfth Street,

Riverside, CA 92501-3819

California Bank & Trust

c/o President

CSC, Agent for Service

2710 Gateway Oaks Dr Ste 150N

Sacramento, CA 95833-3502

Franchise Tax Board

PIT Bankruptcy MS: A-340

PO Box 2952

Sacramento, CA 95812-2952

The Crawford Family Trust U/A DTD 12/30/1994

c/o Crawford Real Estate Services, Inc.

1770 N. Arrowhead Ave.

P.O. Box 2727

San Bernardino, CA 92406-2727

Winifred Brodie

30661 East Sunset Drive South

Redlands, CA 92373-7368

Dawn Lowder

NAI Capital Commercial

800 N Haven Ste 400

Ontario, CA 91764-4953

Barry A. Smith, Esq.

Buchalter Nemer

1000 Wilshire Blvd. Ste 1500

Los Angeles, CA 90017-1730

Dr. Mannie Brodie

30661 East Sunset Drive South

Redlands, CA 92373-7368

INTERNAL REVENUE SERVICE

PO BOX 7346

Philadelphia, PA 19101-7346

United States Trustee (RS)

3801 University Avenue, Suite 720

Riverside, CA 92501-3255

Bill Lowder

NAI Capital Commercial

800 N Haven Ste 400

Ontario, CA 91764-4953

Principles of Faith Christian Center, Inc.

P O Box 602

Fontana, CA 92334-0602

California Bank & Trust

Attn: Theresa Leckey

1900 Main Street, Suite 150

Irvine, CA 92614-7326

First American Title Insurance

4380 La Jolla Village Dr. Ste 110

San Diego, CA 92122-1200

State Board of Equalization

Special Operations Branch MIC 55

PO Box 942879

Sacramento CA 94279-0055

Wells Fargo Bank, N.A.

Business Direct Division

P.O. Box 29482

Phoenix, AZ 85038-9482

Christopher J Langley

Law Offices of Langley & Chang

4158 14th St.

Riverside, CA 92501-3426

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u)California Bank & Trust

End of Label Matrix

Mailable recipients 18

Bypassed recipients 1

Total 19

CHRISTOPHER J. LANGLEY (SBN 258851)
chris@langleylegal.com
STEVEN P. CHANG (SBN 221783)
schang@spclawoffice.com
LAW OFFICES OF LANGLEY & CHANG
4158 14th St.
Riverside, CA 92501
T: 714-515-5656/ 951-383-3388
F: 877-483-4434

Bankruptcy Counsel for Principles of Faith Christian Center, Inc.
Debtor and Debtor in Possession

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION

In re

Principles of Faith Christian Center, Inc.

Debtor.

Case No. 6:15-bk-10006 SY

Chapter 11

**NOTICE OF HEARING ON DEBTOR'S
MOTION FOR ORDER: (1) AUTHORIZING
SALE OF REAL PROPERTY AT 17977
MERRILL AVE. FONTANA, CA 92335
FREE AND CLEAR OF LIENS,
ENCUMBRANCES AND INTERESTS; (2)
AUTHORIZING DEBTOR TO EXECUTE
ANY AND ALL DOCUMENTS THAT MAY
BE NECESSARY TO CONSUMMATE THE
SALE; (3) APPROVING OVERBID
PROCEDURES; (4) DEEMINMG BUYER
TO BE GOOD FAITH PURCHASER UNDER
11 U.S.C. §363 (m); (5) AUTHORIZING
DISBURSEMENT OF SALE PROCEEDS TO
PAY SECURED CLAIMS, COSTS OF SALE,
ADMINSTRATIVE FEES, AND PROPERTY
TAXES; (6) WAIVING THE 14-DAY STAY
IMPOSED BY FEDERAL RULES OF
BANKRUTCY PROCEDURE 6004**

Date: March 24, 2016
Time: 1:30pm
Courtroom: 302
Place: 3420 Twelfth Street
Riverside, CA 92501

**TO THE HONORABLE SCOTT YU, THE UNITED STATES TRUSTEE AND ALL
CREDITORS AND INTERESTED PARTIES:**

PLEASE TAKE NOTICE that on March 24, 2016 at 1:30pm, or as soon thereafter as the matter may be heard, before the above entitled Court in Courtroom 302 located at 3420 Twelfth St, Riverside, CA 92701, Principal of Faith Christian Center, Inc., the debtor and debtor in possession in the above captioned case, will move the Court under 11 USC 363 (b) and (f) and Local Bankruptcy Rules 6004-1(c) and 9013-1(a) that the Court enter an order:

1. Authorizing the sale of the real property located at 17977 Merrill Ave., Fontana, CA 92335 ("Property") free and clear of all liens, claims and interests pursuant to 11 USC 363(b)(f);
2. Authorizing Debtor to execute any and all documents that may be necessary to consummate the sale of the Property.
3. Approving the overbid procedures set forth herein;
4. Deeming the buyer, or any person who appears at the hearing and submits a higher acceptable bid and becomes the purchaser, to be a good faith purchaser pursuant to 11 USC 363(m);
5. Authorizing the 14-day stay imposed by Federal Rules of Bankruptcy Procedure ("FRBP") 6004.

Based on the foregoing, Debtor seeks this Court's order to authorize the sale of the real property located at 17977 Merrill Ave., Fontana, CA 92335 (the "Property") before the opportunity is missed as the sale is the best offer Debtor has received and it will provide a benefit to the estate. The terms of the sale shall be pursuant to the terms contained in the attached Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate and all

1 amendments (collectively "Sales Contract") dated February 10, 2016 between Principals of Faith
2 Christian Center, Inc. as Seller and Darnell Bailey and Cinthea Bailey and/or assignees as Buyers.

3 Pursuant to the Sales Contract, the purchase price of \$2,950,000 has been proposed for
4 transfer of all right, title and interest in the Property. The \$2,950,000 purchase price will pay all
5 the outstanding debt owed on the Property and will leave a surplus to be held for the benefit of the
6 Debtor's creditors. Debtor believes that the purchase is for fair and reasonable market value.

7
8 Pursuant to Local Bankruptcy Rule 6004-1(c)(3), Debtor provides the following
9 information:

- 10 1 The date, time and place of the hearing are March 24, 2016 at 1:30pm in Courtroom 304 of
11 the above entitled Court located at 3420 Twelfth St. Riverside, CA 92501.
- 12 2 The Buyer Darnell Bailey and Cinthea Bailey and/or assignees. Their address is 765
13 Albizia Ct. Perris, CA 92571.
- 14 3 The terms of the sale include, without limitation, the following:
 - 15 a. The purchase price of \$2,950,000 is payable on or before closing date of escrow;
 - 16 b. The escrow for the sale of the Property shall close within a reasonable period after
17 the entry of the order approving the sale (but not more than 45 business days);
 - 18 c. The Property is being sold on an "as is" "where is" basis, without any
19 representations or warranties;
 - 20 d. In the event the sale is not consummated, the sole remedy of the Buyer shall be the
21 full refund of any money deposited towards the purchase of the Property;
 - 22 e. The sale is subject to overbids, Debtor shall seek to sell the Property subject to the
23 following Overbid Procedures:
 - 24 i. Overbid Amount and Purchase Agreement:
 - 25
 - 26
 - 27
 - 28

1 Any person or entity desiring to submit an overbid for the purchase of the estate's interest
2 in the Property ("Overbidder") shall advise Debtor's bankruptcy counsel (contact information
3 listed above) of his, her or its intent to bid on the Property and the amount of the overbid (the
4 "Overbid"), which must be at least \$2,975,000.00 (i.e., the current sales price plus a \$25,000
5 minimum overbid), cash, by no later than 5:00pm (PST), on the business day that is at least two
6 days prior to the hearing on the Motion (the "Overbid Deadline"). In its absolute sole discretion,
7 the Debtor shall have the right to accept an Overbid at any time after the Overbid Deadline.

9 Together with the amount of the Overbid, the Overbidder must submit a purchase
10 agreement, signed by the Overbidder, that contains a purchase price of at least \$2,975,000 and
11 contains the other terms and conditions that are the same as, or not less favorable to the estate (in
12 Debtor's sole discretion) than, the terms state in the Sale Agreement between the Debtor and the
13 Buyer (Exhibit 1 to Debtor's Declaration).

14
15 ii. Payment of Deposit and Evidence of Financial Ability to Perform.

16 Any Overbidder shall submit to Debtor's bankruptcy counsel: (a) a cashier's check made
17 payable to "Principals of Faith Christian Center, Inc." in the amount of at least \$100,000 to serve
18 as a deposit towards the purchase price of the Property (the "deposit"); and (b) evidence that the
19 Overbidder has the financial wherewithal to close the contemplated sale. The Deposit and
20 evidence of financial wherewithal must be delivered so that these items are received by no later
21 than the Overbid Deadline. In its sole and absolute discretion, Debtor shall have the right to accept
22 these items at any time after the Overbid Deadline.

23
24 iii. Auction, Due Diligence, Consummation of Sale and Forfeiture of Deposit.

25 In the event the Debtor receives any Overbid, the bidder will be able to participate in an
26 auction to be conducted at the hearing on the Motion as is necessary in order to increase their bid.

1 Subject to Court approval, Debtor recommends that the first overbid be in the amount of
2 \$2,975,000 cash. Debtor recommends that thereafter overbids shall be made in minimal
3 increments of \$5,000.00 (subject to adjustments as appropriate) such that the next highest
4 minimum overbid at any auction shall be an amount no less than \$2,980,000 cash. All due
5 diligence is to be completed prior to the hearing on the Motion, as the sale is an “as is” “where is”
6 basis, with no warranties, representations, recourse or contingencies of any kind whatsoever;
7

8 The Debtor will request authority to sell the estate’s interest in the Property to the bidder
9 who, in Debtor’s business judgment, makes the highest and best Overbid (the “Winning Bidder”).
10 Debtor reserves the right to reject any and all overbids that, in its business judgment, are
11 insufficient.
12

13 The Winning Bidder’s Deposit shall be applied towards the total and final purchase price.
14 The Winning Bidder must pay the full amount of the successful overbid to the Debtor within
15 fifteen (15) days from the date of entry of the Order authorizing the sale, or as otherwise set forth
16 in the applicable purchase agreement.

17 To the extent the Winning Bidder is unable, unwilling or otherwise fails to consummate
18 the Sale, that bidder’s entire Deposit shall become non-refundable and forfeited to the Debtor and,
19 in the event of a Backup Bidder, Debtor shall be authorized to proceed with a sale to the Backup
20 Bidder (at the Backup Bidder’s last bid at the auction).
21

22 To the extend a bidder is not the winning Bidder, that bidder’s Deposit will be refunded by
23 Debtor, except that Debtor shall refund the Deposit of any Backup Bidder until the sale to the
24 Winning Bidder closes,

25 iv. Agreement to terms and Overbid Procedures.

26 Any bidder’s tender of a Deposit shall serve as that bidder’s consent to, and agreement
27 with, these proposed Overbid Procedures and the terms and conditions of the Sale as set forth in
28

1 the applicable purchase agreement, and agreement not to object or seek to modify the Overbid
2 Procedures in any manner.

3 f. The sale is subject to Bankruptcy Court approval after providing notice to Debtor
4 and his counsel, the United States Trustee, all creditors, and other parties in interest
5 as required by the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, the
6 Local Bankruptcy Rules.

7 g. There are no remaining contingencies, except Bankruptcy Court approval.

8
9 4 The proposed sale is free and clear of liens and encumbrances which will be paid through
10 escrow. The liens affecting the Property are as follows:

11 5 The agent for the Debtor will be paid at 4%. The Buyer is not represented.

12 6 The proposed sale is subject to overbids, and the overbid procedures are set forth herein.

13 7 If there are no overbids the purchase price is \$2,950,000, the estimated net proceeds for the
14 Debtor, are as follows:

15
16 a. Purchase Price: \$2,950,000

17 b. Less

18 i. California Bank & Trust: \$2,257,947.21 (estimated balance of claim)

19 ii. Crawford Investments: \$89,233.42 (estimated balance of claim)

20 c. Net: \$602,819.38 estimate less cost of sale.

21
22 8 The exact tax consequences to the estate relative to the sale are presently unknown but
23 Debtor believes that in any event, the amount of the net sale proceeds will far exceed the
24 amounts of any tax liabilities that may arise as a result of the sale. Furthermore, based on
25 the Church non-profit status, Debtor does not believe that the sale will be a taxable event.

1 9 The net proceeds from the sale will be deposited in Debtor's segregated Debtor in
2 possession account for the Property and will not be used until confirmation of a Chapter 11
3 Plan or authorized by Court order.

4 10 Thus the sale is in the best interest of the estate and Debtor respectfully request the Court
5 grant the requested Order approving the sale as set forth herein.

6 **Please take notice** that the Motion is made pursuant to 11 USC §§336, FRBP 2002 and
7 6004, as well as Local Bankruptcy Rule ("LBR") 6004 and 9013.

8 **PLEASE TAKE FURTHER NOTICE** that the Motion is made on the grounds that the
9 request sale is in the best interest of the estate and the terms of the sale and overbid procedures are
10 fair and reasonable, the payment of the undisputed liens are necessary to effectuate the sale and
11 the proposed buyer is a good faith purchaser. The Motion is based on the attached Memorandum
12 of Points and Authorities and the Declaration of Christopher J. Langley, the supporting exhibits,
13 the arguments of counsel and other admissible evidence properly brought before the Court at or
14 before the hearing on this Motion. In addition, Debtor request that the Court take judicial notice of
15 all documents filed with the Court in this case.

16 **PLEASE TAKE FURTHER NOTICE that if you wish to object to the relief sought**
17 **by the Motion, you must file a written opposition or objection to the Motion at least 14 days**
18 **prior to scheduled hearing. Pursuant to LBR 9013-1(h), the failure to timely object may be**
19 **deemed by the Court to constitute consent to the relief requested herein.** If no objections are
20 filed Debtor request that pursuant to LBR 9013-1(o) the Court treat the lack of objection as
21 consent to granting the Motion. If you do not have any objections to the Motion, you need not take
22 any further action.

23 **PLEASE TAKE FURTHER NOTICE** if you wish to purchase the Property you may
24 preset an overbid by following the procedures set forth herein and participate in an auction of the
25

1 Property to be held on the hearing date set forth herein. If you have any questions, contact counsel
2 for Debtor.

3 **WHEREFORE**, Debtor respectfully requests that the Court enter the order set forth
4 herein.
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6
7 Dated: February 29, 2016

8 Respectfully Submitted,

9 Law Offices of Langley & Chang

10 By: Christopher J. Langley

11 Christopher J. Langley

12 Attorneys for Debtor and Debtor in Possession
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